

**BUSINESS & LABOR**

EXHIBIT NO. 3

DATE 2-23-07

BILL NO. SB 535

Amendments to SB535

Prepared by SAO

February 22, 2007

1. Title, lines 7 through 9

Following: "INSURANCE PRODUCERS" on line 7

Strike: "CREATING" on line 7 through "HOLDERS;" on line 9

2. Title, line 10

Following "VIOLATIONS"

Strike: "OF EITHER ACT"

3. Page 1, line 25

Following: "**Exemptions.**"

Insert: (1) The provisions of this act do not apply to variable annuities. Variable annuities are regulated pursuant to the provisions of Title 30, Chapter 10.

Renumber subsequent subsections

4. Page 2, line 10

Following: "funeral contracts"

Insert: ", as defined in 37-19-827"

5. Page 2, line 14

Following: "fixed annuity"

Strike: "or variable annuity"

6. Page 2.

Following: line 21

Insert: "A third party" means any person licensed under Title 33, part 17."

7. Page 4.

Following: line 11

Insert: "(d) An insurer is responsible for a failure to supervise, if the contracted third party fails to supervise pursuant to the system adopted in [New Section 5, subsections 4 and 5] , even though a certification has been obtained.

8. Page 4, lines 19 through 22

Strike: Subsection 9 in its entirety

9. Page 5, line 30

Following: "chapter 18."

Insert: "Fines may be imposed pursuant to 33-1-317."

10. Page 5.

Following: line 30

Insert: "NEW SECTION. Section 7. Record keeping. (1) Insurers, insurance producers, and independent agencies shall maintain or be able to make available to the commissioner records of the information collected from the consumer and other information used in making the recommendations that were the basis for insurance transactions for 5 years after the insurance transaction is completed by the insurer. An insurer is permitted, but shall not be required, to maintain documentation on behalf of an insurance producer.

(2) Records required to be maintained by this regulation may be maintained in paper, photographic, microprocess, magnetic, mechanical or electronic media or by any process that accurately reproduces the actual document.

11. Page 5, line 2 through pages 9, line 6  
Strike: New sections 7, 8, 9, 10, 11, 12, 13, and 14.  
Renummer subsequent section

12. Page 9, line 8  
Following: "through"  
Strike: "13"  
Insert: "6"

13. Page 9, line 10  
Following: "through"  
Insert: "6"